United Nations S/2002/1339

# Security Council

Distr.: General
10 December 2002

Original: English

## Note by the President of the Security Council

Attached is the final report of the Monitoring Mechanism on Sanctions against UNITA (see annex), which is being submitted in accordance with paragraph 4 of Security Council resolution 1439 (2002) of 18 October 2002.

02-72496 (E) 111202

## Annex

### Letter dated 4 December 2002 from the Chairman of the Monitoring Mechanism on Sanctions against UNITA addressed to the Chairman of the Security Council Committee established pursuant to resolution 864 (1993) concerning the situation in Angola

On behalf of the Monitoring Mechanism on Sanctions against UNITA, I have the honour to enclose the Mechanism's report in accordance with paragraph 4 of resolution 1439 (2002) of 18 October 2002. I should be grateful if it could be brought to the attention of the Committee members.

(*Signed*) Juan **Larrain**
Chairman
Monitoring Mechanism on Sanctions against UNITA

# I. Introduction

1. The present report of the Monitoring Mechanism on Sanctions against UNITA is being submitted in accordance with paragraph 4 of Security Council resolution 1439 (2002) of 18 October 2002. By that resolution, the Council extended the Mechanism's mandate for a two-month period and requested it to carry out ample consultations in Angola with representatives of the Government and UNITA with a view to contributing to a full review by the Council of the sanctions imposed on UNITA. In addition, the Council requested the Mechanism to provide information on possible violations of sanctions that might have occurred since the signing of the Memorandum of Understanding of 4 April 2002; and to consider issues related to UNITA funds and financial resources that have been frozen by Member States. This report is the seventh in a series since the Mechanism's appointment in July 2000. The current members of the Mechanism are Ambassador Juan Larrain (Chile), Chairman, and Mr. Ismaila Seck (Senegal).

2. In its last report (S/2002/1119), the Mechanism recognized the extremely significant developments that have occurred in Angola since the signing of the Memorandum of Understanding on 4 April 2002, including the absence of any ceasefire violations and the transformation of UNITA into a fully fledged political party. At the current juncture, the Mechanism wishes to applaud the historic process that has led to the completion of the outstanding tasks of the Lusaka Protocol and to the signing of the declaration by the Joint Commission on the Peace Process on 20 November 2002 by representatives of the Government, UNITA and the Troika of Observer States and by the Special Representative of the Secretary-General (see S/2002/1274). By that declaration, the signatories verify that the main tasks of the Angolan peace process have been completed and recommend that the Security Council consider the immediate lifting of all sanctions. The unfolding of these events and the determined commitment of the Angolan people to consolidating a climate of peace and reconciliation in the country constitute vital steps in the new history of the country.

3. In carrying out its mandate in accordance with resolution 1439 (2002), the Mechanism visited Angola from 4 to 9 November 2002. It held extensive consultations with representatives of the Government, including the Vice-Minister for External Relations, the Chief of Staff of the Angolan Armed Forces, the head of military intelligence and officials of the External Intelligence Directorate. In addition, the Mechanism met with the leadership of UNITA, namely, its Secretary-General, Paulo Lukamba Gato, and Messrs. Dachala, Sakala, Samakuva and Da Costa Jr. UNITA stressed that, during the past eight months, it had clearly demonstrated that it had abandoned the use of armed force, and that consequently it was imperative to lift sanctions so as to permit the movement to operate fully as a legitimate political party. The meetings held with the two parties were exhaustive, detailed and conducted in a positive spirit, with a view to assessing and clarifying any remaining areas of concern with regard to sanctions. The Mechanism also benefited from discussions with the Special Representative of the Secretary-General, and from the valuable input of members of the Troika, the European Union and other representatives of the international community based in Luanda.

4. On the basis of the positive developments relating to the peace process, and having found no evidence of sanctions violations, on 12 November 2002, the Mechanism requested the Chairman of the Security Council Committee established

pursuant to resolution 864 (1993) to urgently convene a meeting. The Chairman of the Monitoring Mechanism informed the Committee on 20 November that the objectives of Security Council resolutions 864 (1993), 1127 (1997) and 1173 (1998) had been met. Given that UNITA was fulfilling its obligations within the context of the peace process, the Mechanism further recommended that the Council should consider lifting all sanctions on UNITA as a matter of priority, and at the earliest opportunity.

## II. Findings

### Resolution 864 (1993): arms and petroleum

5. Since the signing of the ceasefire agreement, no violations have been reported. The magnitude of this fact alone, especially for a country that has been gripped by conflict for more than 30 years, is very important. In response to a direct question, officials of the Ministry of Defence stated that UNITA was disarmed and that it no longer posed a military threat to the peace process. The Mechanism was provided with recently updated information indicating that UNITA had surrendered approximately 95 per cent of its weapons. The officials stated that the search for the remaining weapons was being conducted, as an ongoing process, in a spirit of cooperation with UNITA. In addition to the arms surrendered by former UNITA combatants in the quartering areas, 56 caches of arms and ammunitions scattered throughout the country have been uncovered. The weapons are detailed below:

**Arms found in 56 caches (4 April-22 October 2002)**

| *Arms* | *Quantity* |
|---|---|
| AKM | 1 259 |
| G-3 | 89 |
| Mauser | 2 |
| Carbine | 2 |
| RPK | 2 |
| RPD | 35 |
| Browning-P-30 | 4 |
| PKM | 38 |
| DP-46 | 20 |
| HK-21 | 2 |
| RPG-7 | 107 |
| M-79 | 15 |
| AGS-17 | 20 |
| GP-25 | 3 |
| Mortar, 60 mm | 83 |
| Mortar, 81 mm | 20 |
| Mortar, 82 mm | 92 |
| Mortar, 120 mm | 1 |

| *Arms* | *Quantity* |
|---|---|
| ZPU-2 14.5 mm | 29 |
| ZGU-1 14.5 mm | 1 |
| DSHK 12.7 mm | 11 |
| ZU-23-2-23 mm | 21 |
| Ramp Missiles anti-tank | 2 |
| Ramp L. Fagot SAM 7 | 1 |
| Ramp L. Fagot Concours | 12 |
| Ramp L.B-12/107 mm | 5 |
| Cannon SPG-9 | 2 |
| Cannon B-10/82 mm | 8 |
| Cannon 75 mm | 2 |
| Cannon 106 mm | 10 |

**Ammunition found in 56 caches (4 April-22 October 2002)**

| *Ammunition* | *Quantity* |
|---|---|
| M-43 PS | 2 567 |
| M-08 LPS | 1 477 056 |
| M-41 G-3 | 1 848 814 |
| 5.45 mm | 55 450 |
| 5.56 mm | 1 080 |
| 12.7 mmx76 P/CORRC | 93 351 |
| 14.5 mm | 109 163 |
| 23 mm | 38 516 |
| 20 mm Zu-20 | 4 980 |
| Gran OG7/PG-7 | 550 |
| Gran OG9/PG-9 | 457 |
| Gran Voog 17 | 1 753 |
| Gran Voog 25 | 95 |
| Gran M-79 | 37 |
| Mortar 60 mm | 1 210 |
| Mortar 81 mm | 835 |
| Mortar 82 mm | 981 |
| Mortar 120 mm | 461 |
| Projectile B-10/82 mm | 900 |
| Projectile 75 mm | 244 |
| Projectile 76 mm | 812 |
| Projectile 106 mm | 3 818 |
| Projectile D-30/122 mm | 114 |
| Projectile M-46/130 mm | 9 |

| *Ammunition* | *Quantity* |
|---|---|
| Projectile 107 mm/B-12 | 410 |
| Projectile M-21/122 mm | 57 |
| Projectile BMP-2/30 mm | 128 |
| Projectile 100 mm, Tang | 600 |
| 12.7 mmx 99-P 50 | 3 090 |
| 12.7 mmx 108-anti-aircraft | 5 602 |
| Missiles, anti-aircraft, SAM-14 | 1 |
| Missiles, anti-tank Fagot | 31 |
| Missiles, anti-tank Concours | 7 |
| Missiles, anti-tank RPG-22 | 31 |
| Missiles, anti-tank Low | 3 |
| Missiles, anti-tank armbrust | 21 |
| Gran M Defensive | 1 439 |
| Gran M Chemise | 45 |
| Deflagration anti-tank and anti-personnel | 10 344 |

6. Government officials consulted in Luanda agreed that the presence of small arms in the country constituted a problem. They indicated, however, that the use of such weapons for organized military purposes was unlikely. During its meetings, the Mechanism sought to obtain additional details with regard to the transport, arms and diamond networks that had fuelled and profited from the conflict, but no information was provided. With reference to petroleum, the Government indicated that, as UNITA is no longer an armed movement, its historical reliance on petroleum and therefore the need to maintain this sanction is equally irrelevant.

**Resolution 1127 (1997): representation**

7. The Mechanism's last report (S/2002/1119) was prepared on the basis of information available in August 2002. Since that time, UNITA has completed its transformation into a political party. Questions the Mechanism had raised concerning the status of important UNITA figures involved in diamond and arms smuggling, as well as senior military officials who had not been incorporated into the Angolan Armed Forces, were addressed to representatives of the Government and to UNITA. At separate meetings, the two parties agreed that the individuals in question had either returned to civilian status in Angola or had chosen to remain as private residents in countries abroad. Meeting with the Mechanism, the Vice-Minister for External Relations explained that the Angolan constitution and laws governed the activities of political parties both domestically and internationally. Representatives of UNITA are now being incorporated into various government positions, including as ambassadors for Angola abroad.

## Resolution 1173 (1998): diamonds and finance

### Diamonds

8. The Government informed the Mechanism that, although smuggling of diamonds continued to be a problem, Ascorp (the Angola Selling Corporation) had begun to introduce measures to tighten internal controls. It believed that these new rules, coupled with the new procedures that will be introduced when the Kimberly Process is implemented, should serve to considerably curtail smuggling. The Government further indicated that such illicit activities and trade were now regarded as criminal matters. In any case, the Mechanism received assurances that UNITA as an organization was no longer involved in trading diamonds for weapons.

### Finance

9. The Mechanism continued its efforts to obtain data on UNITA funds and financial resources currently frozen pursuant to existing measures. Given the limited time available for reporting these details to the Security Council, the Mechanism addressed correspondence to a number of Member States in which senior UNITA officials were known to be residing or operating. It drew the attention of those Governments to resolution 1439 (2002), in which the Council called upon all States to cooperate fully with the Mechanism in the discharge of its mandate, and requested information concerning the numbers of frozen accounts, investments or other assets; the dates on which the accounts were frozen; the names of the institutions holding the accounts; and the amounts frozen. Where available, the Mechanism also provided those Governments with relevant documentation such as copies of transfers of funds between senior UNITA officials.

10. The Mechanism in its earlier reports (S/2002/486 and S/2002/1119) has outlined in detail the specific measures taken by some countries in compliance with the financial sanctions regime imposed against UNITA and its senior officials.

11. According to available information, the countries in which frozen accounts of senior UNITA officials have been identified are Belgium, Côte d'Ivoire, France, Ireland, Portugal, Switzerland and the United Kingdom of Great Britain and Northern Ireland. It should be noted that a large number of countries have also taken various measures, including specific regulations, and have issued directives and instructions, designed to implement financial sanctions. At the same time, there were reports of a number of factors which have hindered the effectiveness of the implementation of financial sanctions, in particular with regard to their scope and depth.

12. These factors are in substance related, on the one hand, to the absence of a standard definition of the funds and the financial resources or assets which should be subjected to freezing and, on the other hand, to the lack of operating guidelines. Consequently, a large number of countries have restricted the scope of the implementation of sanctions to merely identifying and freezing accounts at a given time. With the exception of Switzerland, there has been very limited success in expanding the scope of measures to investigate the movement of funds in and out of the accounts prior to their being frozen. Similarly, in most cases, other forms of assets, such as equity, income-producing properties etc., were not affected by the measures taken by the countries.

13. These facts, associated with domestic legislation regarding confidentiality and the lack of transparency in the operations of offshore centres, have significantly impeded the effective implementation of financial sanctions.

14. Examination of the financial data made available to the Mechanism showed that, in the large majority of instances, specific details regarding the business activity or other sources that generated cash flow in the accounts were missing.

15. In a single instance (data from Switzerland) that did reflect the details referred to above, the accounts proved to be negative, as the holder was unemployed, and the business accounts of the firms associated with that holder turned out to be inactive, for lack of business activity.

16. The data forwarded by Portugal reflected the freezing of 19 accounts (individual and/or business accounts). Neither the balance in each account nor the source of cash was indicated, however.

17. During the Mechanism's meetings in Luanda, UNITA emphatically stressed the importance of lifting financial sanctions. The leadership indicated that it would not be able to operate as a political party if it continued to be denied the freedom to open bank accounts. This would impede its legitimization and undermine its ability to fully participate in the political process in the country. The Vice-Minister for External Relations expressed the view that, as long as UNITA operated within the confines of national law, which forbids political parties but not individuals from having accounts abroad, the Government had no objection to the unfreezing of accounts. With regard to the disposition of funds, should the Security Council decide to lift sanctions, countries may use differing approaches in handling claims to frozen funds and financial resources, in conformity with national banking laws and legislation.

## III. Concluding remarks

18. At this time, as we close the chapter on sanctions against UNITA, now converted into a united political party and beginning to participate in the life of the country, Angola can look forward to a better future of peace and development. The coming general elections will seal a process initiated by the signing of the ceasefire, the Memorandum of Understanding and the end of the work of the Joint Commission.

19. In this context, sanctions should be lifted as a matter of priority, in accordance with the new reality in Angola.

20. For the Security Council, this has been a very important and successful endeavour, and an example of sustained efforts that really served the cause of peace. Now it is up to the people of Angola to consolidate what has been achieved and devote all the energies and resources of the country to meet the urgent chailenges that lie ahead, especially in the humanitarian field. In this respect, the continuing support of the international community will be indispensable.

21. At the end of its work, the Mechanism would like to pay a special tribute to the Governments of the countries concerned for the cooperation extended and their commitment to peace. Their understanding was crucial to making the sanctions work. The response obtained from the international, regional and subregional organizations was extremely important, moreover, and their active engagement was

a key factor for the effective implementation of the sanctions. Within the limits of their capacities, they did their utmost, and the Mechanism is very grateful for their valuable cooperation.